


STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

July 23, 2020

TO: The Honorable Kenneth Uemura
Chairperson, Finance and Infrastructure Committee

FROM: Dr. Christina M. Kishimoto 
Superintendent

SUBJECT: **Presentation on Department of Education's financial plan supporting its comprehensive plan for reopening schools for the 2020-2021 School Year: budget appropriations from 2020 Legislative Session; unspent carryover amounts from the 2019-2020 school year; plan for reprioritization of existing funds, assistance from the Hawaii Emergency Management Agency ("HI-EMA") and timeline for these HI-EMA funds; Elementary and Secondary School Emergency Relief ("ESSR") Funds (Coronavirus Aid, Relief, and Economic Security ("CARES") Funds awarded directly to the Department for K-12 education); potential sources of additional funds; additional cost of reopening schools for 2020-2021 School Year; and anticipated shortfalls and potential impacts of anticipated shortfalls**

EXECUTIVE SUMMARY

On July 9, 2020, the Hawaii State Department of Education (Department) unveiled its Ready to Learn: School Reopening Plan. As the Department moves forward in our commitment to reopen schools on August 4, 2020 for the Fall semester, we know that the delivery of instruction in Hawaii, the nation and the world is going to look very different. Various actions at the school, complex area, and state office levels have led to significant changes in the Department's approach to addressing the unique needs of our schools' learning environments, support services and business functions.

The Department is balancing the need to provide financial support for the implementation of schools' academic plans while responding to the health and safety challenges posed by on-going COVID-19 pandemic impacts. As a system, we will remain agile and responsive to the evolving operational challenges due to the pandemic by closely monitoring and responding to budgetary priorities. These priorities include a fundamental shift in our instructional infrastructure from a primarily in-person mode of instruction to a system that can support in-person, blended and distance learning at a variety of scales.

PRESENTATION

This presentation will provide the Department's financial approach to support its comprehensive plan for reopening schools for the 2020-2021 School Year. It will address eight areas of direct consequence to the plan. Further, we will share information on our strategies to mitigate anticipated shortfalls in order to continue to adjust to this everchanging crisis.

Ready to Learn: School Reopening Plan Department's Financial Approach: Eight Areas of Direct Consequence to the Plan

1. Budget Appropriations from 2020 Legislative Session

At its May 28, 2020 meeting, the Council on Revenues projected a downward forecast in State general fund revenues of -7% for FY 2020 and -12% for FY 2021, which amounts to about \$2.3 billion less over the biennium than previously forecasted in March 2020.

On June 26, 2020, the 2020 Legislature passed Senate Bill 126, SD1, HD1, CD1 (SB126, CD1), which reduced the Department's general fund appropriation for FY 2021 by -88,785,572.

The reduction in general fund appropriations consists of specific one-time, non-recurring reductions totaling \$100.2 million and the incorporation of general fund appropriations from Act 276, SLH 2019.

The Department's proposal provides budget reductions in a manner that minimizes impacts to schools and supports school level planning and decision making.

Details of Act 276, SLH 2019 can be found here:
https://www.capitol.hawaii.gov/session2019/bills/GM1396_.PDF). Pages 40 to 44 are the general fund appropriations related to the Department's budget.

None of the Department's requests and transfers previously approved by the Hawaii State Board of Education (Board) were approved by the Legislature.

- Board Finance and Infrastructure Committee on October 3, 2019, Committee Action on Recommendation Concerning the Department of Education's Supplemental Operating Budget for Fiscal Year 2020-2021:
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_10032019_Action%20on%20DOE%20Supplemental%20Operating%20Budget%20for%20FY%202020-2021.pdf
- Board Special Meeting on December 5, 2019, Board Action on Extra Compensation For Classroom Teachers in Special Education, Hard-To-Staff Geographical Locations, and Hawaiian Language Immersion Programs):
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/Special_12052019_Action%20on%20Extra%20Compensation%20for%20Classroom%20Teachers.pdf

- Board Finance and Infrastructure Committee on February 20, 2020, Update on Extra Compensation for Classroom Teachers in Special Education, Hard-to-Staff Geographical Locations, and Hawaiian Language Immersion Programs: Extra Compensation Funding Sources:
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_022020_Update%20on%20Extra%20Compensation%20for%20Classroom%20Teachers_Revised.pdf

SB126, CD1 includes the fiscal year period July 1, 2020 to June 30, 2021. We anticipate the Governor will sign the bill by mid-July.

Total General Fund Appropriations for FY 2021 are:

Permanent Full-Time Equivalents	19,312.75
Temporary Full-Time Equivalents	2,005.50
Appropriations	\$1,656,416,450

2. Unspent carryover amounts from the 2019-2020 school year

The second topic for the presentation is on general fund carryover from FY 2019-2020 to FY 2020-2021. The COVID-related closure of school facilities in March 2020 resulted in an available unspent balance of \$107.9 million in general funds at the end of FY 2019-2020. This is a \$64.8 million increase from the prior year's carryover, which was anticipated due to 1) savings estimated at \$50 million (in casual hires, student transportation, and payroll) that were identified as being realized due to the school closures in the last quarter of the SY 2019-2020 and shared with the Board on May 7, 2020, 2) schools being encouraged to exercise caution in fourth quarter spending, limit spending to expenses that are in response to the pandemic to the extent possible, and intentionally carryover funds to help get through SY 2020-2021.

SB126, CD1 called for the reduction of \$50 million in FY 2019-2020. To align with the reduction the Department positioned approximately \$50 million (\$49,979,727) to lapse back to the State's general fund. Of the \$57.8 million that carried over, \$57.0 million carried over back to schools and offices, and a net \$835,761 carried over centrally that can be used to help meet shortfalls.

- Board Finance and Infrastructure Committee on September 19, 2019, Update on Department of Education Fiscal Reports as of June 30, 2019 (included the General Funds Carryover Report FY 2018-2019 to FY 2019-2020):
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_09192019_Update%20on%20the%20Department%20of%20Education%20Fiscal%20Reports%20as%20of%20June%2030%2c%202019.pdf
- Board General Business Meeting on May 7, 2020, Presentation on Potential Impact of COVID-29 on State Funds for Education; Potential Priorities for Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES") K-12 Funding for Summer Months and 2020-2021 School Year; and Initial Planning Process (reference slide #8):
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/GBM_05072020_Presentation%20on%20Potential%20Impact%20of%20COVID-19%20on%20State%20Funds%20for%20Education.pdf

3. Plan for reprioritization of existing funds

The Department is currently having to reassess what were base budget funds in order to work within the general fund appropriations that were contained in SB126, CD1. As noted earlier in our first discussion topic, SB126, CD1 contained \$100.2 million in non-recurring lump-sum budget reductions. These reductions were imposed by the Legislature based on a package of budget reduction options that were provided in response to a legislative request for reduction options of 30% of the Department's general fund budget. The general categories of reduction were shared with the Board at the May 7, 2020 meeting.

- Board General Business Meeting on May 7, 2020, Presentation on Potential Impact of COVID-29 on State Funds for Education; Potential Priorities for Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES") K-12 Funding for Summer Months and 2020-2021 School Year; and Initial Planning Process (slide #8):
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/GBM_05072020_Presentation%20on%20Potential%20Impact%20of%20COVID-19%20on%20State%20Funds%20for%20Education.pdf

Further details on the Department's plan to meet the non-recurring reduction of \$10 million in non-salary budget is provided. The Department's proposal provides budget reductions in a manner that minimizes impacts to schools and supports school level planning and decision making.

These reductions, combined with the \$50 million of FY 2019-2020 funds that was lapsed back to the State's general fund, further constrain the Department's fiscal capacity to respond to the pandemic, and increase the Department's reliance on other, non-general, fund resources. Schools and offices will need to monitor and respond to budgetary priorities that arise within existing remaining resources.

4. Assistance from the Hawaii Emergency Management Agency ("HI-EMA") and timeline for these HI-EMA funds

Funding has been provided via SB126, CD1 to HI-EMA to provide personal protective equipment (PPE) for six types of recipients, which includes schools.

HI-EMA has been providing assistance to the Department with the procurement and delivery of PPE supplies, and anticipates continuing to do so using these federal CARES Act funding provided to them. As this appropriation lapses in at the end of this calendar year, it is understood that HI-EMA will be seeking alternative sources of funding to continue to meet state agency needs. As a contingency, funding to secure PPE in the second half of the fiscal year has been identified as a potential shortfall by the Department.

5. Elementary and Secondary School Emergency Relief ("ESSER") Funds (Coronavirus Aid, Relief, and Economic Security ("CARES") Funds awarded directly to the Department for K-12 education)

On May 14, 2020, the Department received a CARES ESSER funds grant award of \$43,385,229. These funds may be used to address a broad range of need areas, including responding to impacts of the pandemic. Approved uses have included summer learning programs and investments in equipment and infrastructure to support the expanded and

equitable provision of distance learning opportunities in the new school year. These federal funds are available to the Department for obligation until September 30, 2022.

6. Potential sources of additional funds

During this time of reduced general fund revenues, the Department's reliance on alternative sources of support has become more critical. Federal funds appropriated by Congress through the CARES Act have provided a needed source to address several of the costs associated with responding to the pandemic and reopening schools.

The Department has been in regular communication with the Congressional delegation members, receiving updates on their progress of efforts to secure resources, obtain guidance, and assistance with seeking waivers to federal rules as appropriate with our food service program.

Schools and offices have been advised to continue to be cautious in their spending, and focus limited resources on the provision of educational services, while responding to the impacts of the pandemic. We will be monitoring spending and looking to meet priority budget needs within available resources.

7. Additional cost of reopening schools for 2020-2021 School Year

The vast majority of the cost of reopening schools is borne by our schools using their existing resources. Schools have received their Weighted Student Formula allocations, and have been planning on a 2.3% reduction to that budget to be imposed when the annual adjustment to factor in actual enrollment is made after the start of school.

The Department has identified several areas of new and major cost associated with equitably building out the system's distance learning infrastructure. This has included securing additional computers and tablets, connectivity via mi-fi devices, enhancing the capacity to manage the increased number of student devices, building out the distance learning platform, and providing technical support to student's ohana members who will be helping students access their education on-line. The combined cost of these items is \$59.8 million.

In addition, logistical needs for the provision of telehealth programs, in the amount of \$1.575 million have been identified.

As previously mentioned, there is a need for a contingency plan for the cost of providing PPE to schools in the second half of the year, in the amount of \$750,000.

Further, newly identified costs as a result of responding to the pandemic include additional costs projected at \$14 million to maintain the school food service program for the fiscal year and \$12 million for unemployment insurance assessments. These last two cost estimates are very preliminary and will require additional time and information to refine.

8. Anticipated shortfalls and potential impacts of anticipated shortfalls

Several areas of anticipated actual and projected shortfalls can be grouped into two categories, pre-pandemic existing shortfalls that are not necessarily directly related to reopening schools, and costs associated with reopening schools and responding to the pandemic.

The first group of pre-existing shortfalls, are items that were included in the Department's Supplemental Budget Request. These seven items total \$19.4 million. Both the necessity and cost estimates for each of these expenses is being evaluated.

- Board Finance and Infrastructure Committee on October 3, 2019, Committee Action on Recommendation Concerning the Department of Education's Supplemental Operating Budget for Fiscal Year 2020-2021:
http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_10032019_Action%20on%20DOE%20Supplemental%20Operating%20Budget%20for%20FY%202020-2021.pdf

The second group of shortfalls that relate to the reopening of schools total \$86.4 million, with \$21.6 million of that having been met by federal funds, leaving a balance of \$64.8 million.

Strategies to Mitigate Anticipated Shortfalls

- Reprioritizing Internal Work and Funds
- CARES Elementary and Secondary School Emergency Relief (ESSER) Funds
- CARES Coronavirus Relief Funds and Other Federal Relief
- Private Donations

CMK:bh
Attachment

c: Office of the Superintendent
Budget Branch



OFFICE OF **Fiscal Services**

IV.A. Presentation on Department of Education's financial plan supporting its comprehensive plan for reopening schools for the 2020-2021 School Year: budget appropriations from 2020 Legislative Session; unspent carryover amounts from the 2019-2020 school year; plan for reprioritization of existing funds; assistance from the Hawaii Emergency Management Agency ("HI-EMA") and timeline for these HI-EMA funds; Elementary and Secondary School Emergency Relief ("ESSR") Funds (Coronavirus Aid, Relief, and Economic Security ("CARES") Funds awarded directly to the Department for K-12 education); potential sources of additional funds; additional cost of reopening schools for 2020-2021 School Year; and anticipated shortfalls and potential impacts of anticipated shortfalls

Finance and Infrastructure Committee
July 23, 2020

Brian Hallett

Assistant Superintendent, Office of Fiscal Services





Financial Plan for Reopening Schools

Planning During a Pandemic with Conditions that are Fluid and Dynamic

“In preparing for battle I have always found that plans are useless, but planning is indispensable.”
– Dwight D. Eisenhower

Fiscal conditions impacted by numerous variables including:

- **Tax revenues:** General fund revenues may decline beyond the Council on Revenues' May 28, 2020 projection. Next quarterly meeting: July 30
- **CARES allocation:** Amount of the Governor's discretionary portion of the CARES Coronavirus Relief Fund that will be used to support public schools
- **Congressional action:** Next Congressional response to assist state and local governments' response to the pandemic to maintain core services. Next recess scheduled from August 10 - September 7
- **Budget restrictions:** Non-payroll and/or payroll restrictions as may ultimately be determined to be necessary by the Department of Budget and Finance





Financial Plan for Reopening Schools

Planning During a Pandemic with Conditions that are Fluid and Dynamic

“To improve is to change; to be perfect is to change often.” - Winston Churchill

Operations impacted by numerous variables including:

- **Health guidelines:** Centers for Disease Control and Prevention, Hawaii Department of Health guidelines as pandemic evolves
- **Federal, state, county restrictions:** Declarations /proclamations from the president, governor and mayors
- **Testing and contact tracing:** Availability of tests and testing supplies, capacity of contact tracers
- **Virus spread:** Rates of new infections, virus mutations
- **Community reaction, impact:** Parental decisions around student enrollment and attendance
- **School-related decisions:** School-level decisions on school model, employee decisions on ability to work

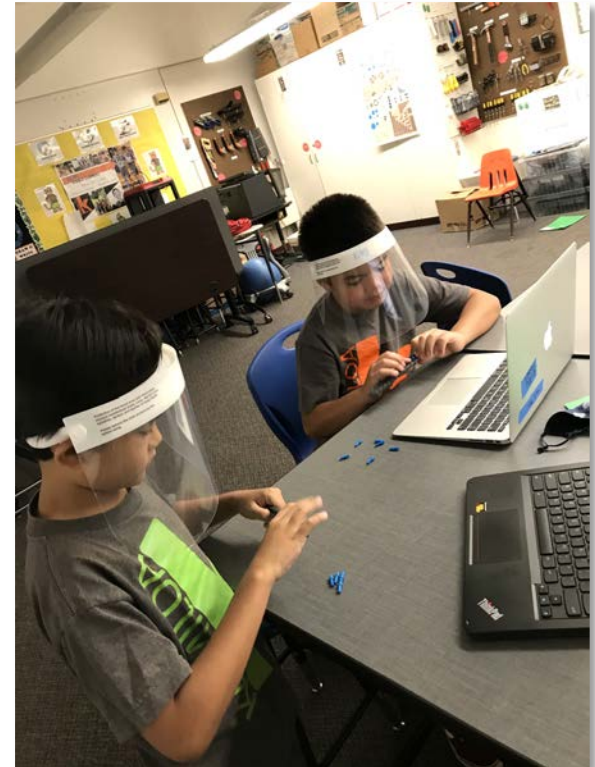


Photo credit: Kaimiloa Elementary



Financial Plan for Reopening Schools

Presentation Topics



1. Budget appropriations from 2020 Legislative Session
2. Unspent carryover amounts from the 2019-2020 school year
3. Plan for reprioritization of existing funds
4. Assistance from the Hawaii Emergency Management Agency (“HI-EMA”) and timeline for these HI-EMA funds
5. Elementary and Secondary School Emergency Relief (“ESSER”) Funds (Coronavirus Aid, Relief, and Economic Security (“CARES”) Funds awarded directly to the Department for K-12 education)
6. Potential sources of additional funds
7. Additional cost of reopening schools for 2020-2021 School Year
8. Anticipated shortfalls and potential impacts of anticipated shortfalls



Financial Plan for Reopening Schools

Topic 1 – Budget Appropriations from 2020 Legislative Session



Overview of Department's General Fund Operating Base Budget as Reflected in Senate Bill 126, SD1, HD1, CD1

For fiscal year (FY) 2021, the Department's general fund appropriation has been reduced by Senate Bill 126, SD1, HD1, CD1, which was passed on June 26, 2020.

Additionally, none of the Department's requests (approved by the Board) submitted to the Legislature as part of the Governor's Executive Budget for additional appropriations and for trade-off/transfers were approved.

General Fund	FY 2021		
	Perm FTE	Temp FTE	Amount
Beginning Base Budget*	19,312.75	2,005.50	\$1,745,202,022
Reductions:			
Non-Recurring Reductions	0.00	0.00	-\$100,200,000
Additions:			
Incorporation of Act 276, SLH 2019 Items	0.00	0.00	\$11,414,428
Executive Budget Requests and Transfers	0.00	0.00	0
Net change	0.00	0.00	-\$88,785,572
Ending Base*	19,312.75	2,005.50	\$1,656,416,450

*Does not include EDN 700, Early Learning



Financial Plan for Reopening Schools

Topic 1 – Budget Appropriations from 2020 Legislative Session



Non-Recurring Reductions to General Fund Base Budget as reflected in SB126, SD1, HD1, CD1 by EDN

To meet the anticipated general fund revenue shortfall, the Legislature asked all state departments to review their budgets for possible reductions.

In response, the Department proposed several potential adjustments as specific one-time, non-recurring reductions, which for FY 2021 totaled \$100.2 million.

EDN	EDN Title	FY 2021
100	School-Based Budgeting	-\$35,707,233
150	Special Education & Student Support Services	-\$4,431,663
200	Instructional Support	-\$1,731,083
300	State Administration	-\$2,337,306
400	School Support	-\$55,877,341
500	School Community Services	-\$115,374
TOTAL		-\$100,200,000



Financial Plan for Reopening Schools

Topic 1 – Budget Appropriations from 2020 Legislative Session



Explanation of Non-recurring Reductions to General Fund Base Budget for FY 2021

The Legislature agreed with all of the options as reductions, and they were incorporated in the Department's budget for FY 2021.

The Department's proposed adjustments were intended to minimize the impacts to schools and support school-level planning and decision-making.

Department Reduction Proposal	TOTAL
Reduce other current expenses for EDN 400 for one time use of Impact Aid funds. (Non-recurring)	-\$50,000,000
Reduce other current expenses for one-time use of federal funds. (Non-recurring)	-\$6,000,000
Reduce funds for other current expenses for "formula funded program" (Weighted Student Formula (EDN 100), Indexed Complex Area Allocation (EDN 200), and Community School for Adults (EDN 500) for one-time program restriction. (Non-recurring)	-\$24,200,000
Reduce funds for other current expenses for one-time program restrictions. (Non-recurring)	-\$10,000,000
Reduce funds for personal services for (centralized) salary savings. (Non-recurring)	-\$10,000,000
<i>In lieu of unplanned/point-in-time cuts to positions that for a variety of reasons happen to be vacant.</i>	
FY 2021 TOTAL	-\$100,200,000



Financial Plan for Reopening Schools

Topic 1 – Budget Appropriations from 2020 Legislative Session



General Funds Appropriated in ACT 276, SLH 2019 moved into SB126, SD1, HD1, CD1

SB126, SD1, HD1, CD1 also incorporates appropriations from Act 276, SLH 2019.

As such, they are merely the consolidation of FY 2021 appropriations into a single bill as a housekeeping measure.

EDN		FY 2021	Purpose
100	School-Based Budgeting	\$774,110	To offset trade-off/transfer reductions in Act 5, SLH 2019
		\$1,500,000	Early College programs in high schools
		\$575,000	Teacher license fees
150	Special Education & Student Support Services	\$7,608,587	Skilled nursing
200	Instructional Support	\$153,000	Teacher certification incentives
		\$155,000	School climate and student safety initiatives
300	State Administration	\$422,091	To offset trade-off/transfer reductions in Act 5, SLH 2019
400	School Support	\$226,640	To offset trade-off/transfer reductions in Act 5, SLH 2019
TOTAL		\$11,414,428	



Financial Plan for Reopening Schools

Topic 1 – Budget Appropriations from 2020 Legislative Session



Overall Net Reduction to General Fund Appropriation as Reflected in SB126, SD1, HD1, CD1

Additionally, SB126, SD1, HD1, CD1 does not include additional funds for differentials for classroom teachers in special education, hard-to-staff locations, and Hawaiian language immersion programs.

Overall, the bill provides less general fund appropriations for operations, since \$100.2 million was reduced for various payroll and non-payroll expenses for FY 2021.

Only general fund adjustments were made by SB126, SD1, HD1, CD1. The Department's other appropriations (federal, special, revolving, trust) were not adjusted.

EDN		FY 2021		
		Perm FTE	Temp FTE	Amount
100	School-Based Budgeting	0.00	0.00	-\$32,858,123
150	Special Education & Student Support Services	0.00	0.00	\$3,176,924
200	Instructional Support	0.00	0.00	-\$1,423,083
300	State Administration	0.00	0.00	-\$1,915,215
400	School Support	0.00	0.00	-\$55,650,701
500	School Community Services	0.00	0.00	-\$115,374
Overall Net Reduction*		0.00	0.00	-\$88,785,572



Financial Plan for Reopening Schools

Topic 2 – Unspent General Fund Carryover Amounts from School Year 2019-20



		A	B	C	D = A - B + C
EDN		DAGS (FAMIS) Balances (Projected)	School/Office Carryover (Projected)	Lapsed*	Centralized Carryover (Projected)
100	School-Based Budgeting	\$38,167,167	\$56,346,423		-\$18,179,256
150	Special Education & Student Support Services	\$11,320,436	\$269,610		\$11,050,826
200	Instructional Support	\$1,617,989			\$1,617,989
300	State Administration	\$427,828			\$427,828
400	School Support	\$3,517,014			\$3,517,014
500	School Community Services	\$52,814,210	\$433,123	-\$49,979,727	\$2,401,360
Total		\$107,864,644	\$57,049,156	-\$49,979,727	\$835,761

*Lapsed amount is consistent with \$50 million budget reduction in FY19-20 contained in SB 126 CD1



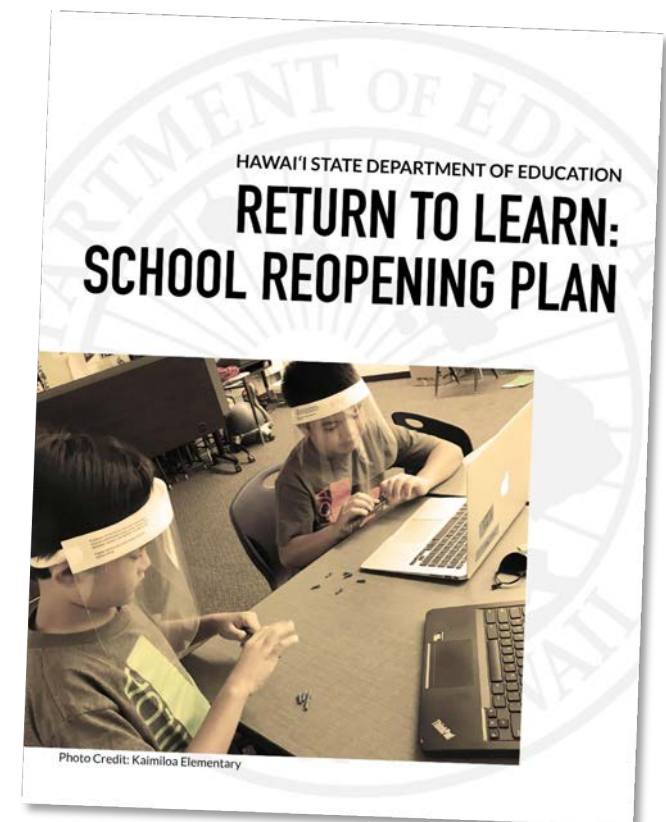
Financial Plan for Reopening Schools

Topic 3 – Plan for Reprioritization of Existing Funds



Non-recurring adjustments to program funding will be required to implement the Supplemental Budget (SB 126, CD 1). This will include:

- \$50 million in **Impact Aid** funds will be transferred to the **Student Transportation Services Branch** to cover transportation contract cost
- \$6 million from **federal funds**: \$1.5 million in Compact of Free Association States (COFA) funds and \$4.5 million in Department of Defense (DOD) funds being used in lieu of general funds
- \$24.2 million by reductions imposed on the following programs: **Weighted Student Formula** (\$23.4M), **Indexed Complex Area Allocation** (\$719,656), and **Community Schools for Adults** (\$75,186)
- \$10 million in **salary savings** to be realized via vacancy savings that result from the ongoing hiring freeze; it's too early to know what specific positions will go unfilled
- \$10 million from the **non-salary budget** (breakdown on next slide)





Financial Plan for Reopening Schools

Topic 3 – Plan for Reprioritization of Existing Funds



\$10 million non-recurring non-salary reductions by program

EDN	Program Description	% Reduction	\$ Reduction
100	HAWAIIAN STUDIES	20%	\$410,000
100	ATHLETICS -Transportation	50%	\$392,527
100	ATHLETICS - Salary	10%	\$554,348
100	ATHLETICS - Gender equity	10%	\$107,089
100	ATHLETICS - Supplies and equipment	50%	\$373,875
100	ATHLETICS - Transportation Maui	50%	\$21,000
150	INTEGRATED SPECIAL EDUCATION DATABASE	100%	\$238,083
200	HCPS - Assessment	23%	\$1,898,815
200	SABBATICAL LEAVE TEACHERS	50%	\$1,000,000
300	ENTERPRISE SYSTEMS	10%	\$328,615
300	ENTERPRISE ARCHITECTURE	10%	\$14,100
300	INFORMATION TECHNOLOGY PROJECT MGMT	10%	\$32,592
300	SCHOOL TECHNOLOGY SERVICES & SUPPORT	10%	\$120,075

EDN	Program Description	% Reduction	\$ Reduction
300	INFORMATION & TECHNOLOGY SERVICES	10%	\$191,281
300	SCHOOL PROCESS AND ANALYSIS	10%	\$273,193
300	ENTERPRISE INFRASTRUCTURE SERVICES	10%	\$307,800
300	DUPLICATING SERVICES	30%	\$23,400
300	BUDGET	10%	\$3,856
300	ACCOUNTING	2%	\$7,825
300	PROCUREMENT SERVICES	10%	\$3,203
300	FISCAL SERVICES	20%	\$3,247
400	FACILITIES MAINTENANCE	12%	\$1,000,000
400	AUXILIARY SERVICES	15%	\$2,500,000
400	HCNP MAINTENANCE OF EFFORT	34%	\$95,076
500	REACH PROGRAM	20%	\$100,000
		TOTAL	\$10,000,000



Financial Plan for Reopening Schools

Topic 4 – Assistance from the Hawaii Emergency Management Agency (HI-EMA) and timeline for these HI-EMA funds



PART XIII. PURCHASE AND DISTRIBUTION OF PERSONAL PROTECTIVE EQUIPMENT

*SECTION 30. Notwithstanding any other law to the contrary, there is appropriated out of the emergency and budget reserve fund established under section 328L-3, Hawaii Revised Statutes, from the amounts received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$100,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 to be used for the purchase and distribution of personal protective equipment to **hospitals, childcare facilities, elderly care facilities, businesses, non-profits, and schools**, pursuant to Public Law 116-136 and associated guidance issued by appropriate federal agencies; provided that:*

- 1. All procurements executed pursuant to this part shall be exempt from the requirements of chapters 103D and 103F, Hawaii Revised Statutes;*
- 2. Beginning July 15, 2020, a monthly report that details all allocations and expenditures shall be submitted to the governor and the legislature; and*
- 3. On December 28, 2020, any unexpended funds shall be transferred to the unemployment compensation trust fund established under section 383-121, Hawaii Revised Statutes.*

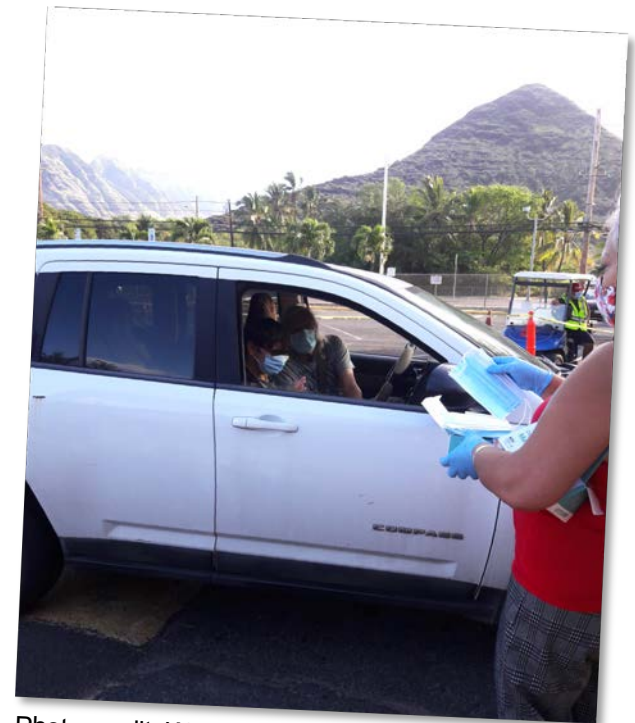


Photo credit: Waianae High

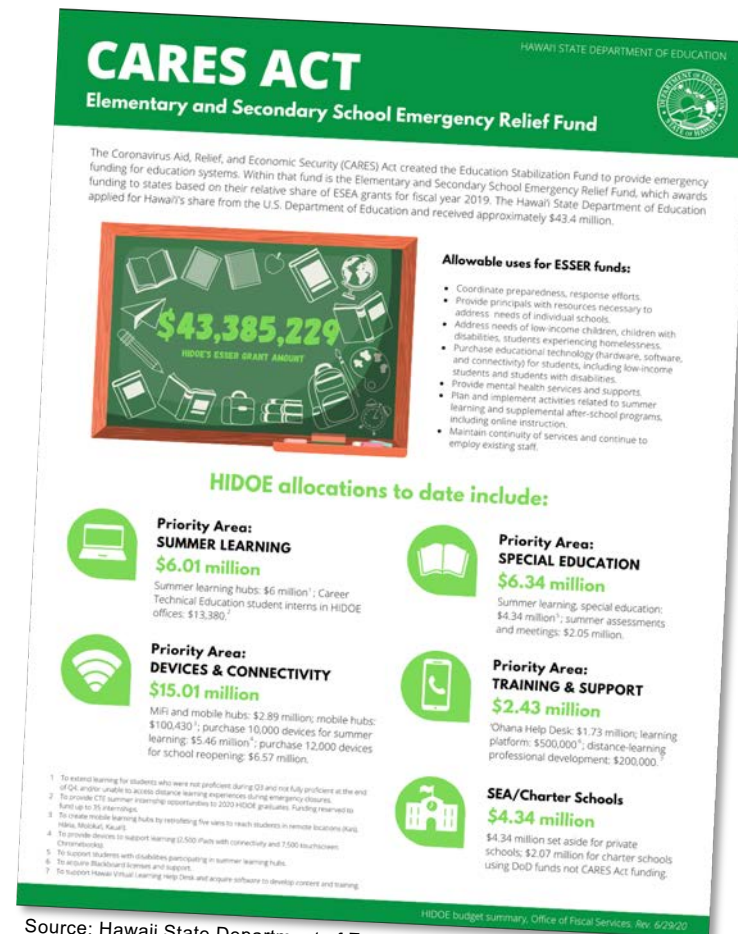


Financial Plan for Reopening Schools

Topic 5 – Elementary and Secondary School Emergency Relief (ESSER) Funds (Coronavirus Aid, Relief, and Economic Security (CARES) Funds awarded directly to the Department for K-12 Education)



Activity	Budget
State Education Agency (SEA) set aside	\$4,338,523
Summer Learning Hubs	\$6,000,000
Career Technical Education: DOE student interns	\$13,380
Summer Learning: Special Education	\$4,339,600
Summer Assessment & Meetings: Special Education	\$2,055,800
Connectivity: Mobile Hubs	\$100,430
Connectivity: MiFi and Mobile Hubs	\$2,891,097
Devices: 10,000 devices	\$5,457,591
Devices: Second purchase for school reopening	\$6,567,000
IT Support: 'Ohana Help Desk	\$1,726,231
Learning Platform: Blackboard licenses, support	\$500,000
Distance Learning: Professional Development	\$200,000
CARES ESSER Balance	\$9,195,577



Source: Hawaii State Department of Education



Financial Plan for Reopening Schools

Topic 6 – Potential Sources of Additional Funds



- Elementary and Secondary School Emergency Relief federal funds
- Governor's Emergency Education Relief (GEER) federal funds
- Governor's discretionary share of Coronavirus Relief (CR) federal funds
- Additional federal funds that Congress may appropriate:
 - State and local government assistance funds (like CARES CR funds)
 - K-12 specific funds (like CARES ESSER funds)
- General fund categorical program savings from activities that over the course of the year may not be feasible or priority to expend as programmed (i.e., athletics)
- Donations of funds and goods
- Impact Aid receipts that may be in excess of budgeted levels
- "DOE-Charter School True-Up" Funds that may be received as a result of the annual true-up between DOE and charter school funding based on per pupil funding using an October 15 enrollment count
- General fund salary funds that may be realized in excess of budgeted vacancy savings amounts



Financial Plan for Reopening Schools

Topic 7 – Additional Cost of Reopening Schools for SY 2020-21



Priority Area	Cost Estimate	Description
Digital Devices	\$41,231,500	Estimate based on free and reduced-price lunch student count from SY19-20 multiplied by \$500 a device
Device Management	\$1,771,280	To secure 50,000 software licenses and support to allow monitoring for utilization, provide control over device content, and security including recovery if lost
Connectivity	\$7,191,097	Based on the actual cost for procuring 5,000 MiFi devices and an estimate for an additional approximately 17,000 students who were identified by principals as being in need of internet access at \$250 per student
Distance Learning Platform	\$3,180,000	Estimate based extrapolation of cost of \$500,000 for 50,000 licenses for Blackboard and \$200,000 for related supports, for all approximately 170,000 HIDEOE students
Distance Learning - Platform K-5	\$2,500,000	To provide a new distance learning platform for K-5 students in partnership with Arizona State University
Distance Learning - Training and Content Management	\$611,550	Staffing to provide training and support for teachers, parents, and school and complex area administrators; support for student registrations, support for online content including vetting and integration with systems



Photo credit: Mountain View Elementary

Continued on next slide.



Financial Plan for Reopening Schools

Topic 7 – Additional Cost of Reopening Schools for SY 2020-21



Priority Area	Cost Estimate	Description
Staff Training	\$1,600,000	To provide approximately 10,000 casual hire employees with 4 hours of training and all substitute teachers (approximately 4,700) with a full day of training
Training - 'Ohana Help Desk	\$1,726,231	Based on the actual contract cost for a helpline that family members can rely on for assistance in supporting students' access of online learning resources
Nurses to support telehealth program	\$1,575,000	For the new health hotline and telehealth services provided by Hawaii Keiki, that is available to provide health advice and telehealth appointments with nurses for Hawaii DOE students
Personal Protective Equipment	\$750,000	Based on estimated monthly cost of \$150,000 for January-May 2021 in the event HI-EMA is unable to obtain continued funding. This would provide schools with disposable masks, gloves, face shields, gowns, disinfectant wipes, and hand sanitizer.
Food Service (general funds)	\$14,000,000	Based on very PRELIMINARY projections taking into consideration actual (grab-and-go) and anticipated (for SY 2020-21) lower student participation rates
Unemployment Insurance	\$12,000,000	For higher rates of utilization of Unemployment Insurance. May 2020 invoice was approximately \$4 million higher than normal. Projection based on actual May and estimated June and July only
TOTAL	\$88,136,658	



Photo credit: Keaau Elementary



Financial Plan for Reopening Schools

Topic 8 – Anticipated Shortfalls and Potential Impacts of Anticipated Shortfalls



Pre-existing shortfalls include:

Item	Estimated Shortfall
Workers Compensation	\$2,000,000
Utilities	\$5,000,000
Resources for New Facilities	\$4,145,000
New Financial Management System (FMS) cost of annual license	\$1,500,000 (revised down since supplemental request)
Converged Infrastructure	\$5,000,000
Youth Suicide Awareness and Prevention	\$1,000,000
Title IX Phase II Training	\$750,000
TOTAL	\$19,395,000



Photo credit: Honouliuli Middle

Source:

http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_10032019_Action%20on%20DOE%20Supplemental%20Operating%20Budget%20for%20FY%202020-2021.pdf



Financial Plan for Reopening Schools

Topic 8 – Anticipated Shortfalls and Potential Impacts of Anticipated Shortfalls



School Reopening Related Shortfalls:

Priority Area	Shortfall	Committed Resources	Source	Remaining Shortfall
Digital Devices	\$41,231,500	\$12,024,591	CARES ESSER	\$29,206,909
Device Management	\$1,771,280	\$0	N/A	\$1,771,280
Connectivity	\$7,191,097	\$2,891,097	CARES ESSER	\$4,300,000
Distance Learning Platform	\$3,180,000	\$700,000	CARES ESSER	\$2,480,000
Distance Learning Platform – K-5	\$2,500,000	\$0	N/A	\$2,500,000
Distance Learning - Training and Content Management	\$611,550	\$0	N/A	\$611,550
Staff Training	\$1,600,000	\$0	N/A	\$1,600,000
Nurses to support telehealth program	\$1,575,000	\$0	N/A	\$1,575,000
Personal Protective Equipment (second half of school year)	\$750,000	\$0	N/A	\$750,000
Food Service (general funds)	\$14,000,000	\$0	N/A	\$14,000,000
Unemployment Insurance	\$12,000,000	\$6,000,000	CARES funds via DLIR @ 50%	\$6,000,000
			TOTAL	\$64,794,739



Financial Plan for Reopening Schools

Strategies to Mitigate Anticipated Shortfalls

- Reprioritizing Internal Work and Funds
- CARES Elementary and Secondary School Emergency Relief (ESSER) Funds
- CARES Coronavirus Relief Funds and Other Federal Relief
- Private Donations



Photo credit: Fern Elementary



Photo credit: Kekaha Elementary



Mahalo

Updates and information on the Department's COVID-19 response
can be found at hawaiipublicschools.org.





Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Additional Details

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
100	HAWAIIAN STUDIES	\$410,000	20%	Program will minimize restriction impact through the redistribution of fourth-quarter program A1 payroll savings due to COVID-19 school facilities closures.
100	ATHLETICS - TRANSPORTATION	\$392,527	50%	Seasons will be shortened to allow for less events to utilize the transportation allocation. Less events will allow for the reduction to minimize impacts to schools.
100	ATHLETICS - SALARY	\$554,348	10%	Schools will be allowed to offer all sports activities with a 10% reduction. Further reductions will result in sports programs at schools to be discontinued.
100	ATHLETICS - GENDER EQUITY	\$107,089	10%	Schools will be allowed to offer all gender equity sports activities with a 10% reduction. Further reductions will result in sports programs at schools to be discontinued.
100	ATHLETICS - SUPPLIES & EQUIPMENT	\$373,875	50%	Schools will minimize equipment and supplies purchased to address only the most essential needs.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million non-salary reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
100	ATHLETICS - TRANSPORTATION MAUI	\$21,000	50%	Maui's tri-state travel needs will have need to be modified to allow for interisland travel. Seasons will be shortened to allow for less events to utilize the transportation allocation. Less events will allow for the reduction to minimize impacts to schools.
150	INTEGRATED SPECIAL EDUCATION DATABASE	\$238,083	100%	Office of Information Technology Services can operate with suggested reductions however, this will limit any changes to data system within the eCSSS (electronic comprehensive student support system) Special Education Database. If funding is needed, it can be supported under federal funds.
200	HAWAII CONTENT AND PERFORMANCE STANDARDS ASSESSMENT	\$1,894,902	23%	Not offer ACT vouchers and WorkKeys; cancel K-2 Assessment Project, Innovative Parent Video Student Result Reporting Project; and limit the Innovative Assessment Pilot scope; scale back on test security, Lexile contract, and item development.
200	SABBATICAL LEAVE TEACHERS	\$1,000,000	50%	Based on the number of sabbaticals for SY20-21, the balance of the \$2 million appropriation is projected to be sufficient.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million non-salary reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
300	ENTERPRISE SYSTEMS	\$328,615	10%	Branch administrative operations such as equipment refreshes and professional development will be deferred. Program should still be able to continue with critical recurring operational costs (e.g., licenses, etc.), but will review any new licenses and contracts to determine feasibility to fund.
300	ENTERPRISE ARCHITECTURE	\$14,100	10%	Branch administrative operations such as equipment refreshes and professional development will be deferred. Program should still be able to continue with recurring operation costs (e.g., licenses, etc.), but will review any new IT security and architecture initiatives to determine feasibility to fund.
300	INFORMATION TECHNOLOGY PROJECT MANAGEMENT	\$32,592	10%	Branch administrative operations such as equipment refreshes and professional development will be deferred. Project management contract scope of work will be reduced, as needed.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million non-salary reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
300	SCHOOL TECHNOLOGY SERVICES & SUPPORT	\$120,075	10%	Branch administrative operations such as equipment refreshes and PD will be deferred. Neighbor island travel will be limited to critical services (e.g., onsite technology infrastructure assistance and repairs, etc.); non-critical neighbor island travel will be moved to virtual methods (e.g., virtual meetings, etc.).
300	INFORMATION & TECHNOLOGY SERVICES	\$191,281	10%	Office administrative operations such as equipment refreshes will be deferred. Travel and dues/subscriptions will be limited to those that are mission-critical (i.e., needed to sustain current technology operations or to implement mission-critical initiatives to support schools and staff with increased distance learning environment).
300	SCHOOL PROCESS AND ANALYSIS	\$273,193	10%	Branch administrative operations such as equipment refreshes and PD will be deferred. Neighbor island travel for staff will be limited to critical services. Training that the branch provides on department student information systems will be done virtually; except if there is a critical need for in-person training to accommodate certain training subjects or people.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million Non-salary Reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
300	ENTERPRISE INFRASTRUCTURE SERVICES	\$307,800	10%	Branch administrative operations such as equipment refreshes and PD will be deferred. Neighbor island travel will be limited to critical services (e.g., on-site technology infrastructure assistance and repairs, etc.). Program should still be able to continue with critical recurring operational costs (e.g., licenses, etc.), but will review any new licenses and contracts to determine feasibility to fund.
300	DUPLICATING SERVICES	\$23,400	30%	Reduction in the number and cost of contracted scanner/copiers.
300	BUDGET	\$3,856	10%	Deferral of equipment replacements, higher reliance on online professional development opportunities, increased reliance on web based communication tools, and scrutiny of any contracted services.
300	ACCOUNTING	\$7,825	2%	Deferral of equipment replacements, higher reliance on online professional development opportunities, increased reliance on web based communication tools, and scrutiny of any contracted services.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million non-salary reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
300	PROCUREMENT SERVICES	\$3,203	10%	Deferral of equipment replacements, higher reliance on online professional development opportunities, increased reliance on web based communication tools, and scrutiny of any contracted services.
300	FISCAL SERVICES	\$3,247	20%	Deferral of equipment replacements, higher reliance on online professional development opportunities, increased reliance on web based communication tools, and scrutiny of any contracted services.
400	FACILITIES MAINTENANCE	\$1,000,000	12%	Deferral of maintenance projects that are not health and safety related. Deferral of equipment/tool replacements and focusing more on critical work orders to maintain a safe environment for students and staff.
400	AUXILIARY SERVICES	\$2,500,000	15%	All repair and maintenance (R&M) contracts are health and safety related. DOE will be required to redefine the scope of work for new R&M contracts and amend existing contracts up for renewal to either scale back or defer R&M services. Triage critical R&M services of competing priorities i.e. refuse, wastewater systems, AC maintenance, fire alarm, courier, portable fire extinguishers and fire suppression, and specialized cleaning/sanitization services due to COVID-19.



Financial Plan for Reopening Schools

Reference Material for Topic 3 – Plan for Reprioritization of Existing Funds, Details of the \$10 million Non-salary Reduction

EDN	Program Description	Reduction Amount	% of Non-Salary Appropriation	Impacts
400	HAWAII CHILD AND NUTRITION PROGRAM MAINTENANCE OF EFFORT	\$95,076	34%	Program is primarily federally funded and the state's required Maintenance of Effort can be met with general funds for program positions.
500	REACH PROGRAM	\$100,000	20%	Program deferral of equipment replacement, field trip costs, sporting tournaments and registration fees. Program administrator's work duties adjusted for primary support with federal funds.
	TOTAL	\$10,000,000		